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scotland
SCOTTISH GOVERNMENT



ReadyforBusiness

Embedding Social Value in Procurement

Community Benefit in Procurement Network

2nd December 2015

Agenda

- Introduction
- PR(S)A update
- Sustainable Procurement
- Third Sector Reporting
- Service Contracts
- Round Table
- Final Q&A

Jo Mitchell

Barbara Morton

Stuart Calderwood

Robin Fallas



Jo Mitchell

Scottish Government

Legislation Update

Jo Mitchell

Scottish Procurement

2nd December 2015



The Scottish Government
Riaghaltas na h-Alba

Procurement Reform

Agenda

- New procurement rules in Scotland
- Public consultation and optional elements
- Statutory Guidance
- Support



Background

3 new Directives

- Public (Classic) Sector,
- Utilities Sector
- Concession Contracts

**Published in OJEU on 28 March 2014
– 3 sets of Regulations**

UK, Cabinet Office February 2015

**Scottish Government – Drafting Regulations and statutory
guidance**



Key Policy Options

- Selection and exclusion of bidders, particularly in relation to blacklisting.
- Mutuels – new directives provide for certain types of contracts to be reserved for social enterprises and exempted from competition amongst the wider market place for a limited period.
- Supported Business –New rules allow for contracts to be reserved to businesses whose main aim is to socially and professionally integrate disabled or disadvantaged people. Further change is to the threshold of workers who meet that descriptions from 50% to be more than 30% of workers.
- Contract Award Criteria - The new Directives provide an option for member States to insist that contracts can only be awarded on the basis of an assessment of both the price and the quality of a bid.



Statutory Guidance

The Procurement Reform (Scotland) Act 2014 provides for 5 areas of Statutory Guidance:

- Organisational Procurement Strategies and Annual Reports
- Sustainable Procurement Duty
- Community Benefits in Procurement
- Selection of Tenderers and Award of Contracts (including fair work practices)
- Procurement of Care and Support Services

And Procurement Scotland Regulations (Set 4)



Statutory Guidance - Development

- Principles - February consultation
- Engagement - public sector, suppliers, NGOs
- Fair Work – live (1st November 2015)
- Other 4 – building in feedback
- Commencement



Procurement Reform (Scotland) Act

Expected Thresholds

Threshold	Provision
Regulated Procurements (£50,000 (goods and services), £2,000,000 (works))	<p>General Duties –</p> <p>(1) equal treatment, non-discrimination, transparency, proportionality</p> <p>(2) sustainable procurement duty</p> <p>Specific Provisions -</p> <p>Reserve contracts for supported businesses</p> <p>Publish Contract Notice (excluding call-offs under framework) Publish Contract Award notice</p> <p>Exclusion of Bidders</p> <p>Selection of Tenderers (including fair work practices)</p> <p>Technical Specifications</p> <p>Debriefing</p> <p>Contracts Register</p> <p>No Charging for Tender Documents</p>
£4,000,000	Community Benefits (subject to review)
£5,000,000	Organisational Procurement Strategy and Annual Report

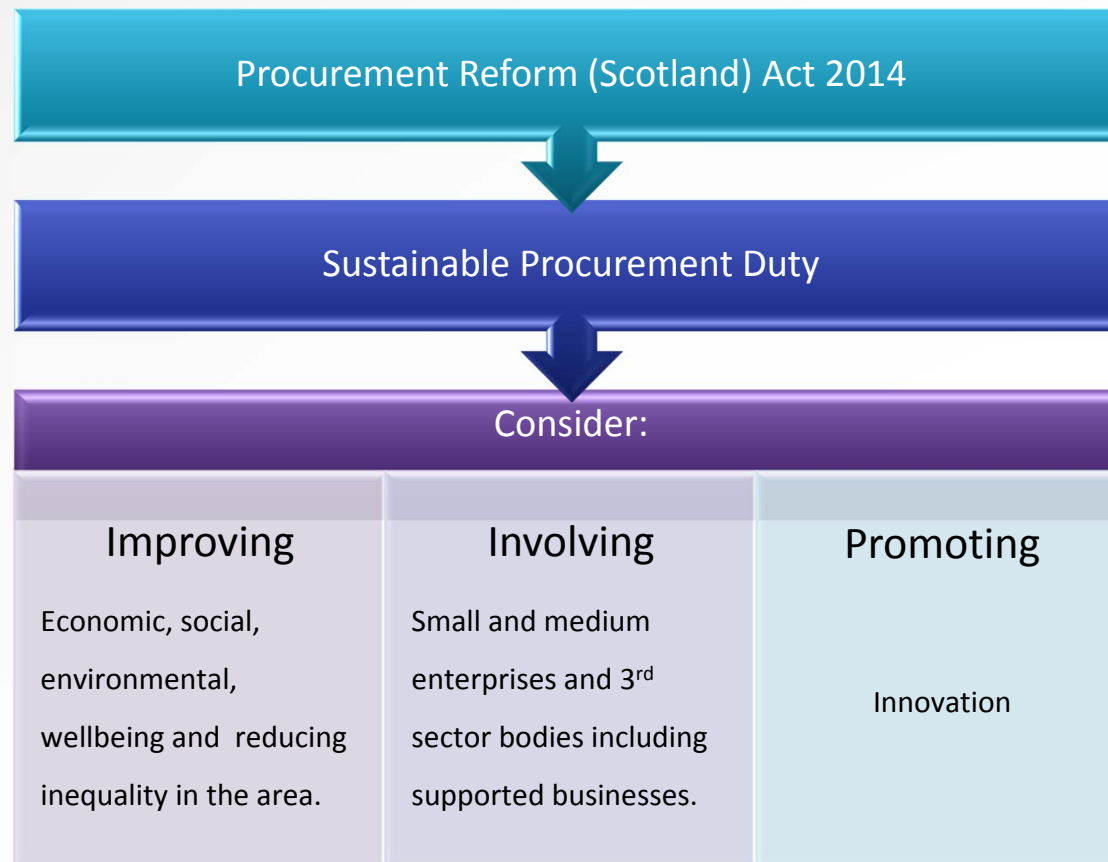
Support

- E-Learning – end December
- Face to face provision – mid January
- Procurement Journey
- Systems / tools

Thank You



Procurement Reform (Scotland) Act



Procurement Reform (Scotland) Act 2014 – Statutory Guidance:

- Organisational Procurement Strategy & Annual Report
- Sustainable Procurement Duty
- Community Benefits in Procurement
- Selection of Tenderers and Award of Contracts (including Workforce matters)
- Procurement for Health or Social Care Contracts

Guidance and tools to support

- Tools:
 - ✓ Prioritisation Methodology
 - ✓ Contracts Tool / Sustainability Test
 - ✓ Life Cycle Impact Mapping
 - ✓ Guidance and case studies
 - ✓ Flexible Framework
- Beta Testing of Sustainable Procurement Tools – supporting organisations in meeting the requirements of the Act.
- Testing to ensure that tools are ‘fit for purpose’

National context

Link to Single Outcome Agreements /
Local Delivery Plans / Strategic
Objectives of the organisation

Links to reporting requirements of all
public sector bodies in Scotland

Reflect the reporting requirements of
the
Procurement Reform (Scotland) Act

<http://www.scotland.gov.uk/About/Performance/scotPerforms>

NATIONAL PERFORMANCE FRAMEWORK

THE GOVERNMENT'S PURPOSE
To focus government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth

HIGH LEVEL TARGETS RELATING TO THE PURPOSE
Growth Productivity Participation Population Solidarity Cohesion Sustainability

STRATEGIC OBJECTIVES

WEALTHIER & FAIRER	SMARTER	HEALTHIER	SAFER & STRONGER	GREENER
We live in a Scotland that is the most attractive place for doing business in Europe				
We realise our full economic potential with more and better employment opportunities for our people				
We are better educated, more skilled and more successful, renowned for our research and innovation				
Our young people are successful learners, confident individuals, effective contributors and responsible citizens				
Our children have the best start in life and are ready to succeed				
We live longer, healthier lives				
We have tackled the significant inequalities in Scottish society				
We have improved the life chances for children, young people and families at risk				
We live our lives safe from crime, disorder and danger				
We live in well-designed, sustainable places where we are able to access the amenities and services we need				
We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others				
We value and enjoy our built and natural environment and protect it and enhance it for future generations				
We take pride in a strong, fair and inclusive national identity				
We reduce the local and global environmental impact of our consumption and production				
Our people are able to maintain their independence as they get older and are able to access appropriate support when they need it				
Our public services are high quality, continually improving, efficient and responsive to local people's needs				

HOW ARE WE DOING?
Visit www.scotlandperforms.com
to track latest progress

Tools to support Sustainable Procurement



➤ Risk and opportunity assessment

• Environmental, social & economic risk assessment

✓ Prioritisation Methodology

✓ Sustainability Test

✓ Life Cycle Impact Mapping

✓ Guidance and case studies

✓ Flexible Framework

➤ From risk assessment to procurement actions

The Flexible Framework:

a route map to good procurement practice

Organisational Progression

Flexible Framework is a way of demonstrating progress

Maturity matrix

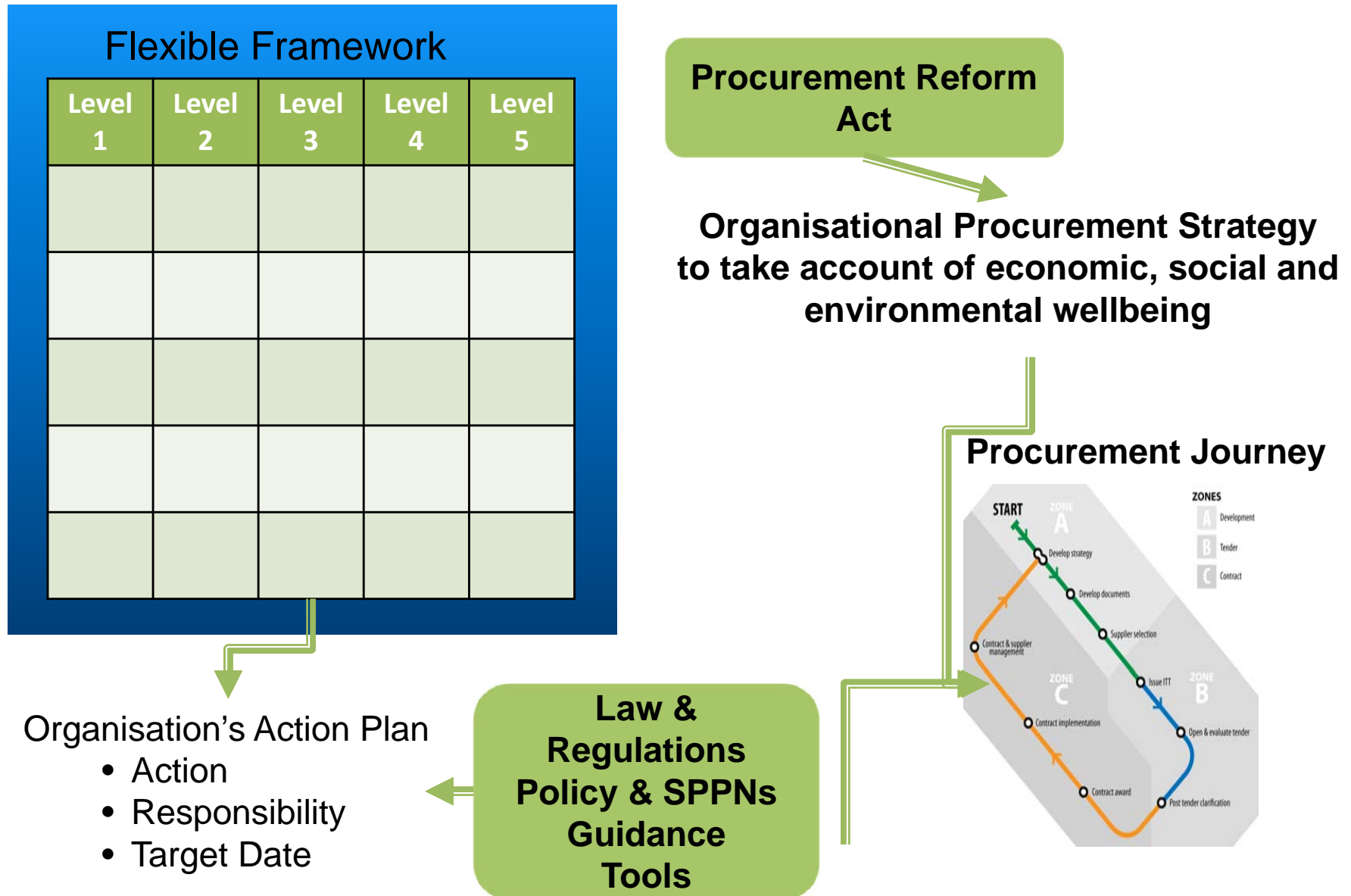


- **People**
- **Objectives, strategy and communications**
- **Procurement process**
- **Engaging suppliers**
- **Monitoring and reporting**

Strategic planning – key stakeholders involved

Flexible Framework with Action Plan

Procurement Capability Assessment / PCIP





Stuart Calderwood

Third Sector Reporting



Robin Fallas

CBCs in Service Contracts

Building a Community of Practice / Knowledge Share – Aims through Champions Network:

Securing community benefits through service contract procurements:

- **Share knowledge of what has worked well through interactive sessions**
- **Build practical application in service contracts**
- **Focus on focused / targeted scored community benefit clauses / criteria (horizon of “hard-wiring” via Procurement Strategies, Prioritisation etc)**
- **Contribute to maximising “reach” of 2014 Act**

But also not forgetting....

Social considerations may be advanced through:

- **Use of frameworks**
- **Use of the Supported Business reservation**
- **Use of Lots**
- **Focus on the specification**
- **Recognising that in certain circumstances, commissioning may not be subject to procurement law or may be under the “Part B / light touch” regime**

Building a Community of Practice / Knowledge Share - Service Contract Areas:

- IT / ICT
- Catering
- Waste Management
- Events Management
- Social Care
- Facilities Management
- Repair and Maintenance (though generally works)
- Joinery
- Professional services - Engineering / architecture
- Professional services - Legal / Financial advisory
- Other!

Building a Community of Practice / Knowledge Share – Benefit Type :

- **Education**
 - measures with schools
 - measures with further/higher education
 - measures with community
- **Supply chain opportunities / upskilling**
 - advertisement
 - capacity building measures
- **Community engagement**
 - To add value to end-users of service
 - to inform service evolution over time
- **Employment**
 - Long-term unemployed
 - youth enemployed
 - specific disadvantaged groups
- **Employment / Training**
 - apprenticeship / modern apprenticeship
- **Training / upskilling**
 - various that are position dependent
- **Work experience**
 - work placements
- **Other / Innovations!**



Questions

